

Commercial Function Study

Pergola Commons

1 Clair Road East, Guelph

December 13, 2023

Prepared for: First Capital Realty

Prepared by: Tate Economic Research Inc.



TATE
ECONOMIC
RESEARCH INC.

Ms. Kara Green
Manager, Development
First Capital Realty
85 Hanna Avenue, Suite 400,
Toronto, Ontario M6K 3S3

December 13, 2023

Re: Commercial Function Study
Pergola Commons
1 Clair Road East, Guelph

Dear Ms. Green:

Tate Economic Research Inc. is pleased to submit this Commercial Function Study examining the retail commercial implications of redeveloping a portion of the Pergola Commons site at 1 Clair Road East in the City of Guelph.

We look forward to discussing the results with you.

Yours truly,

TATE ECONOMIC RESEARCH INC.



Sameer Patel
Vice President



James Tate
President

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Executive Summary

Tate Economic Research Inc. (“TER”) has prepared this Commercial Function Study regarding the proposed redevelopment of the Commercial Mixed-Use Centre lands at 1 Clair Road East. This Commercial Function Study is required by the City of Guelph (“Guelph” or “City”) to assess the impacts of the proposed redevelopment, if any, on the commercial service levels in the local community.

Background

The proposed redevelopment lands form the eastern block of a larger retail commercial development known as Pergola Commons (“Site” or “Subject Site”). Pergola Commons is designated as Commercial Mixed-Use Centre in the City of Guelph Official Plan. It is a retail commercial centre of approximately 150,000 square feet¹ located at the southeast corner of Gordon Street and Clair Road.

First Capital Realty (“FCR”) is proposing a phased redevelopment of the eastern portion of Pergola Commons. The proposed concept for the redevelopment of the Subject Site includes multi-storey mixed-use residential buildings, some featuring ground floor commercial spaces.

The Subject Site currently has four, single storey, commercial buildings. Three of these buildings are occupied by single tenants, including: a Harvey’s quick service restaurant, The Beer Store, and a Galaxy movie theatre. The fourth building is occupied by multiple tenants including State & Main restaurant, Thai Express restaurant, Sport Clips hair styling and Code Ninjas, an educational use.

A net reduction in commercial space is proposed. There is currently approximately 50,000 square feet of retail commercial space on the Subject Site. The amount of commercial space proposed is approximately 20,000 square feet.

One of the requirements to permit the proposed redevelopment is a Commercial Function Study. The City of Guelph Official Plan February 2022 Consolidation (“Guelph OP”) has specific requirements for a Commercial Function Study. An excerpt is provided below:

¹ TER’s inventory of competitive space indicates that Pergola Commons includes 144,300 square feet of retail commercial space. This total has been rounded to 150,000 square feet in this report. The eastern portion of the Site, which is to be redeveloped, currently includes 48,700 square feet of retail commercial space. This amount has been rounded to 50,000 square feet in this report. The western portion of Pergola Commons currently includes 95,600 square feet of retail commercial space. This amount has been rounded to 100,000 square feet in this report.

2. *A Commercial Function Study shall address:*

- i. The availability of commercial floor space within the designation to meet daily and weekly needs of the surrounding community especially for food store, food-related store and/or drug store;*
- ii. Opportunities for additional commercial floor space to be provided elsewhere and thereby sustain the local provision of commercial floor space within that designation or in the immediate area;*
- iii. Impacts on the ability of residents and employees in the area to use active transportation options to access commercial shopping areas and commercial services; and*
- iv. Role of the commercial space in creating a community focal point.*

This TER report has been prepared to address the City's Commercial Function Study requirements.

Summary of Findings & Recommendations

The Site is located within an established retail commercial shopping area that offers a wide range of convenience oriented shopping options.

- The Site is located within the Gordon / Clair Commercial Mixed-Use Centre ("Gordon / Clair Node").
- The Gordon / Clair Node includes retail commercial centres on each of the four corners of the intersection.
- TER undertook an inventory of retail commercial space in the Gordon / Clair Node. This inventory indicated there is approximately 437,000 square feet of retail commercial space in the Gordon / Clair Node.

The redevelopment proposal includes a net reduction in retail commercial space from approximately 50,000 square feet to approximately 20,000 square feet.

- The proposed net reduction in commercial space is approximately 30,000 square feet at Pergola Commons. As the western portion of Pergola Commons is not impacted by the redevelopment, it will continue to operate with approximately 100,000 square feet of retail commercial space.

- The retail commercial space at Pergola Commons is therefore anticipated to decline from approximately 150,000 square feet to 120,000 square feet, which represents a decrease of 20.0%.
- As a result of this proposed redevelopment, the entire Gordon / Clair Node is forecast to change from approximately 437,000 square feet of retail commercial space to 407,000 square feet. This change represents a decrease of approximately 6.9%.
- The overall reduction in retail commercial space is considered to be relatively minor.
- Given the availability of retail commercial options elsewhere in the Gordon / Clair Node, there are, as stated in the OP relating to this Commercial Function Study, *opportunities for additional commercial floor space to be provided elsewhere and thereby sustain the local provision of commercial floor space within that designation or in the immediate area*; This conclusion is elaborated upon in the paragraphs below.

The proposed redevelopment does not impact the availability of food store and food-related store space in the surrounding area and its ability to accommodate daily and weekly shopping needs.

- There are no food stores currently operating on the Subject Site. Therefore, the proposed redevelopment does not impact the availability of food stores or food-related store space in the community.
- There are three supermarkets in the Gordon / Clair Node. These supermarkets provide a wide range of supermarket types, including discount (Food Basics) and full service (Longo's and Zehrs). All three of the supermarkets are within 500 metres of the Site.
- There are five other food stores in the Gordon / Clair Node. These food stores are Bulk Barn, M&M Food Market, Chocolats Favoris, Cobs Bread, and KFF Convenience.
- The Gordon / Clair Node is well served by supermarkets and other food stores. This service level is not impacted by the proposed redevelopment.
- Future residents of the Site will be well served with food stores and food-related store space. In reference to the Guelph OP requirements, the entire selection of food stores in the Gordon / Clair Node are within

walking distance of the Site and can *meet daily and weekly needs of the surrounding community*.

There is sufficient availability of drug store space in the surrounding area to accommodate the daily and weekly shopping needs.

- There are no drug stores currently operating on the Subject Site. Therefore, the proposed redevelopment does not impact the availability of drug stores in the community.
- There are two drug stores located elsewhere in the Gordon / Clair Node. These drug stores are a Shoppers Drug Mart in the Clair Gordon plaza and Remedy's pharmacy in Westminster Square. Both of these drug stores are located to the north, within 250 metres of the Site.
- Future residents of the Site will be well served with drug stores. With reference to the Guelph OP, *the drug stores in the Gordon / Clair Node are within walking distance of the Site and can meet daily and weekly needs of the surrounding community*.

There is a range of active transportation options for the surrounding residents to utilize to access commercial shopping areas and commercial centres.

- On Clair Road, immediately adjacent to the Subject Site, is a bus stop, a dedicated cycling lane and a pedestrian oriented sidewalk. There are other active transportation options also located nearby.
- Residents in the area surrounding the Subject Site have access to a broad range of active transportation options, including walking paths, cycling lanes and bus transit. Therefore, as stated in the Guelph OP, the proposed redevelopment is not forecast to have *Impacts on the ability of residents and employees in the area to use active transportation options to access commercial shopping areas and commercial services*.

The proposed redevelopment of the Subject Site does not usurp the role of the commercial space in creating a community focal point role at the Gordon / Clair node.

- The Subject Site represents approximately 11.4% of the existing retail commercial space in the Gordon / Clair Node. The proposed

redevelopment will result in a net reduction in retail commercial space in the node that is less than 6.9%.

- The proposed redevelopment will result in the closure of the Galaxy movie theatre on the Site. However, it is also noted that there are approximately 74,000 square feet of restaurant and other food service space at the Gordon / Clair Node, which will continue to deliver a social and community function to the residents it serves.
- It is also noted that there is a Goodlife Fitness Club in Pergola Commons. This fitness club will continue to serve a community function in the Gordon / Clair Node.
- It is also noted that there are community facilities, such as the Westminster branch of the Guelph Public Library and Clair Park located in the vicinity of the Site that provide a community focal point.
- Therefore, in terms of the Guelph OP, the proposed redevelopment is not forecast to impact the *role of the commercial space in creating a community focal point*.

Conclusion

It is our professional opinion that the proposed redevelopment of 1 Clair Road East, as analysed in this report, meets the requirements outlined in the City of Guelph's Official Plan that relate to this Commercial Function Study.

Based on the findings of this report, it is the opinion of Tate Economic Research Inc. that the residents in the area surrounding the Subject Site will have access to a range of daily and weekly serving retail commercial space if the Site were redeveloped, as proposed. There will be active transportation options available to access local commercial centres and there will continue to be a community focal point influenced by the commercial space in the vicinity of the Site.

1 Introduction

Tate Economic Research Inc. (“TER”) has prepared this Commercial Function Study regarding the redevelopment of a Commercial Mixed-Use Centre site to permit higher density residential development at 1 Clair Road East. The Commercial Function Study is required by the City of Guelph (“Guelph” or “City”) to assess the impacts on the commercial service level, if any, of the redevelopment.

1.1 Background & Mandate

The Subject Site is the eastern block of a larger retail commercial development known as Pergola Commons, as indicated below in Figure 1-1. Pergola Commons is a retail commercial centre of approximately 150,000 square feet located at the southeast corner of Gordon Street and Clair Road.

Figure 1-1: Subject Site

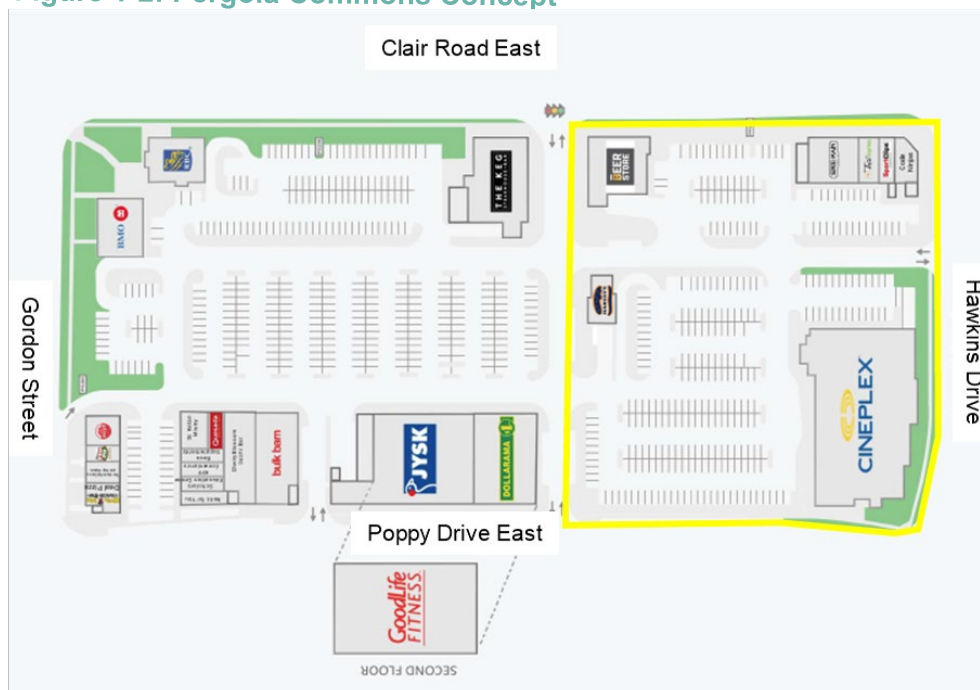


Source: Tate Economic Research Inc. Basemap Esri ArcGIS.

Pergola Commons is designated as Commercial Mixed-Use Centre and operates as a retail commercial development. First Capital Realty is proposing a phased redevelopment of the eastern portion of Pergola Commons. The proposed redevelopment concept for the Subject Site includes multi-storey mixed-use residential buildings, some featuring ground floor commercial spaces.

A concept plan for the existing Pergola Commons retail commercial centre is indicated in Figure 1-2, below. The eastern portion of Pergola Commons is planned for redevelopment. In this report, the eastern portion of Pergola Commons is referred to as the Subject Site.

Figure 1-2: Pergola Commons Concept



Source: Tate Economic Research Inc. Retrieved from First Capital Reality Website

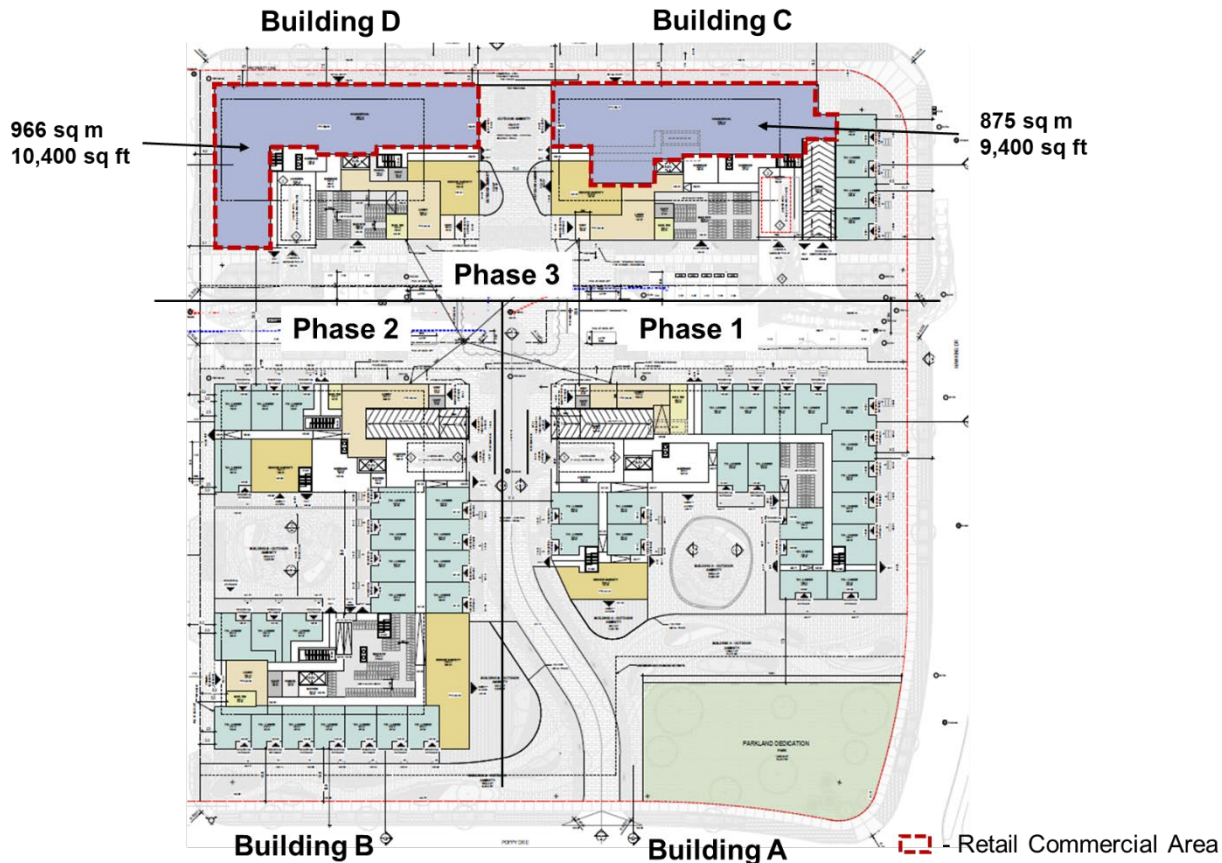
The concept plan of the proposed redevelopment of the Site is indicated in Figure 1-3, on the following page. As indicated, the redevelopment is planned in three phases. The first two phases are located on the southern portion of the Site. Phase 3 is to be comprised of two mixed-use buildings located on the northern portion of the Subject Site, with frontage on Clair Road.

The blocks have been designed to allow for the ongoing use of the existing east-west access road that runs parallel to Clair Road from Farley Drive to Hawkins Drive. This approach will allow for the continued servicing of the existing commercial units along Clair Road during the construction of Phase 1 and Phase 2. As a result, access to the existing commercial units will be uninterrupted.

The retail commercial space on the Subject Site is to be included in each building of Phase 3. There is a total of approximately 1,840 square metres (20,000 square feet) of retail commercial space proposed in Phase 3. This space is comprised of approximately 966 square metres (10,400 square feet) in Building

C and approximately 875 square metres (9,400 square feet) in Building D. The overall area of the Site is 22,071 square metres, or approximately 5.5 acres.

Figure 1-3: Concept Plan – Proposed Redevelopment



Source: Tate Economic Research Inc. Based on concept plan prepared by SvN Architects & Planners, dated 12/06/2023. Annotated by TER.

The City requires that FCR undertake a Commercial Function Study. The requirements for the Commercial Function Study are indicated in Section 2 of this report.

1.2 Scope of Work

TER's work plan is based on primary research, field inspections and a quantitative / qualitative analysis. This work plan is summarized below:

- **Official Plan Context** – TER reviewed the Subject Site in the context of the Guelph OP.
- **Subject Site Function** – TER reviewed the Subject Site function as intended in the Guelph OP.

- **Surrounding Retail Function** – TER reviewed the commercial function in the surrounding area to assess the ability of the existing and proposed retail environment to serve the residents surrounding the Subject Site.
- **Active Transportation Commentary** – TER reviewed the active transportation options available to the residents surrounding the Subject Site.
- **Community Focal Point Commentary** – TER assessed the role of the Subject Site in functioning as a community focal point.

1.3 Basic Assumptions

This report and its recommendations should be reviewed in light of the basic assumptions, which are outlined below:

- All input data is current at the time of preparing this report and is presumed to be accurate. Should inputs change, TER reserves the right to update the conclusions of this report.
- This report is intended for the uses outlined in the mandate. No parts of this report may be replicated or used for purposes other than that stated in the mandate without the written consent of Tate Economic Research Inc.

This report and its recommendations should be reviewed considering these basic assumptions.

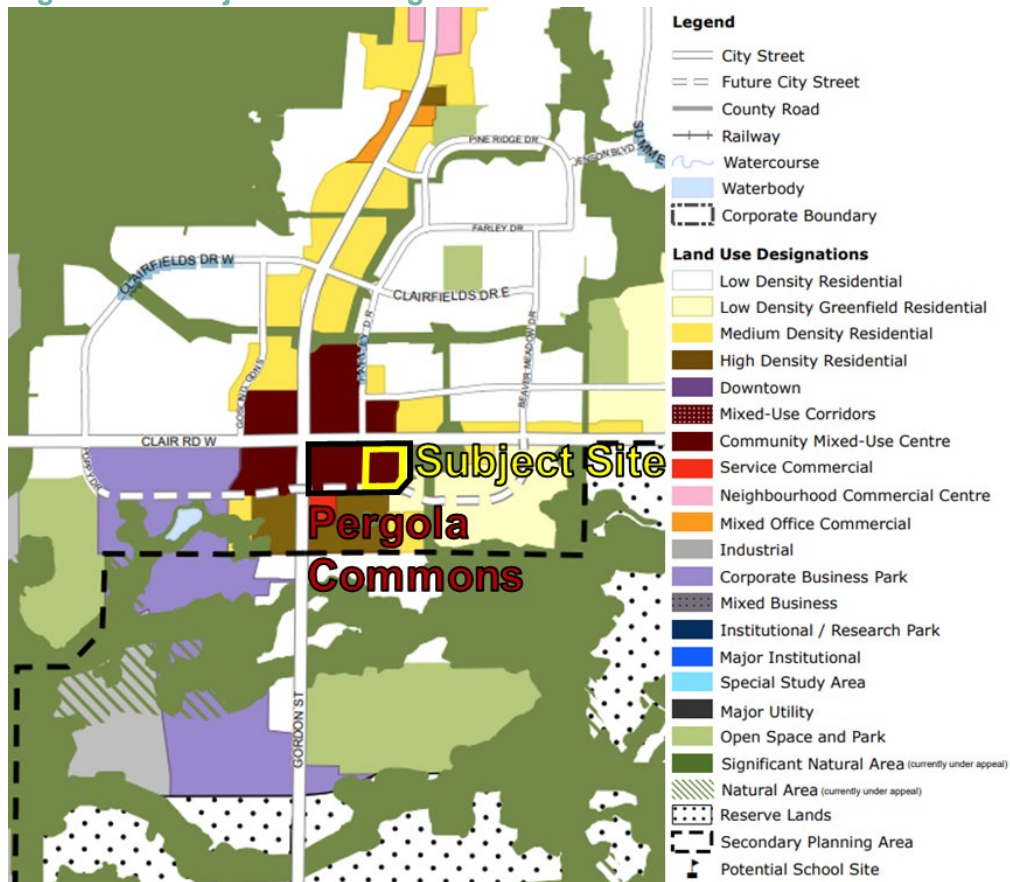
2 Official Plan Context

The following section examines the relevant Official Plan policies and the Subject Site within this context.

2.1 City of Guelph Official Plan Context

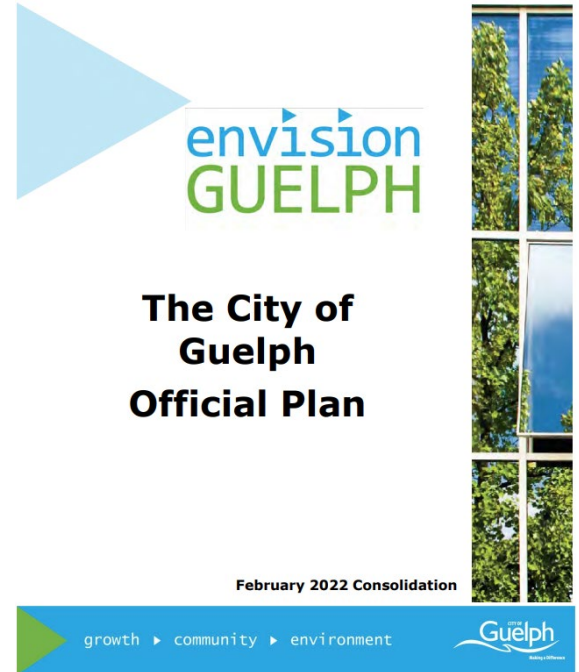
The Guelph OP (February 2022 Consolidation) sets out objectives and polices for areas located within commercial and mixed-use designations. The Guelph OP states that “*The Commercial and Mixed-use designations are intended to provide a range of uses to meet the needs of daily living*”. The Guelph OP supports the distribution of commercial uses throughout the City and the development of transit-supportive centres that are connected to surrounding neighbourhoods. There are five commercial and mixed-use designations within the Guelph OP:

Figure 2-1: Subject Site Designation



Source: Tate Economic Research Inc. Basemap: City of Guelph Official Plan Schedule 2, annotated by TER

- Commercial Mixed-Use Centre – Support a mix of uses including concentrations of commercial, residential, and complementary uses serving the immediate neighbourhood and wider community.
- Mixed-Use Corridor – Serve both the needs of residents living and working on-site, in nearby neighbourhoods and employment districts, and the wider City as a whole.
- Neighbourhood Commercial Centre – Establish local convenience and neighbourhood commercial uses within a convenient walking distance of residential areas.
- Service Commercial – Ensure an adequate supply of service commercial uses throughout the City at appropriate locations.
- Mixed Office/Commercial – Allow for a variety of small-scale commercial, office, residential or mixed-use buildings.



2.2 Commercial Mixed-Use Centre Function

The Subject Site is designated *Commercial Mixed-Use Centre*. It is located within the Gordon / Clair Commercial Mixed-Use Centre, which is one of six such designated areas in the City.

The objective of Commercial Mixed-Use Centres is to:

To promote Commercial Mixed-use Centres as areas that support a mix of uses including concentrations of commercial, residential, and complementary uses serving the immediate neighbourhood and the wider community.

The retail commercial and multiple unit residential uses proposed at the Site are permitted uses within Commercial Mixed-Use Centres. The Subject Site currently provides only commercial, retail and service use and the provision of residential uses will broaden the uses on the Site.

2.3 Commercial Function Study Parameters

Section 9.4.2 of the Guelph OP addresses Commercial Function Studies. This section states:

1. *Commercial function studies shall be required as part of a complete application for development proposals for Commercial Mixed-use Centres, Neighbourhood Commercial Centres and Mixed-use Corridors that propose to:*
 - i. *Provide commercial gross floor area at less than .15 FSI; or*
 - ii. *Reduce the commercial gross floor area existing at the time of the application by more than 25 per cent; or*
 - iii. *Provide less than 6500 square metres of commercial gross floor area cumulatively of all buildings within the designation for lands designated Commercial Mixed-use Centre.*

One of the requirements to permit the proposed redevelopment is a Commercial Function Study. The City of Guelph Official Plan 2021 Consolidation has specific requirements for a Commercial Function Study: An excerpt is provided below:

2. *A Commercial Function Study shall address:*
 - i. *The availability of commercial floor space within the designation to meet daily and weekly needs of the surrounding community especially for food store, food-related store and/or drug store;*
 - ii. *Opportunities for additional commercial floor space to be provided elsewhere and thereby sustain the local provision of commercial floor space within that designation or in the immediate area;*
 - iii. *Impacts on the ability of residents and employees in the area to use active transportation options to access commercial shopping areas and commercial services; and*
 - iv. *Role of the commercial space in creating a community focal point.*

2.4 Commercial Function Study Requirement

The proposed redevelopment is to include a reduction in retail commercial space at Pergola Commons from 144,000 square feet to 121,000 square feet. This proposal represents a decline of approximately 18%. This decline is less than the 25% threshold to require a Commercial Function Study.

In terms of FSI, TER has been informed that the proposed commercial FSI is approximately 0.2. This FSI exceeds the threshold to require a Commercial Function Study.

However, if the proposed development is viewed as only the Subject Site, as opposed to the entire Pergola Commons, the reduction in commercial floor space and the resulting commercial FSI would both trigger the requirement for a Commercial Function Study. It is also noted that the City has requested the Commercial Function Study.

2.5 Official Plan Context Conclusion

The Subject Site is designated Commercial Mixed-Use Centre. The development concept proposed includes multi-unit residential, which is also a permitted use. The requirement for this Commercial Function Study results from the proposed reduction in commercial gross floor area that is proposed at the Site.

3 Surrounding Retail Commercial Environment

This section of the report examines the retail commercial environment surrounding the Subject Site. The purpose of this assessment is to address Sections i and ii of the Guelph OP Commercial Function Study requirements as provided below:

- i. The availability of commercial floor space within the designation to meet daily and weekly needs of the surrounding community especially for food store, food-related store and/or drug store;*
- ii. Opportunities for additional commercial floor space to be provided elsewhere and thereby sustain the local provision of commercial floor space within that designation or in the immediate area;*

3.1 Gordon / Clair Commercial Mixed-Use Centre

As stated previously in Section 2 of this report, the Site is located within the Gordon / Clair Commercial Mixed-Use Centre (“Gordon / Clair Node”). There are retail commercial centres located on all four quadrants of the intersection of Gordon Street and Clair Road. The retail commercial centres are indicated below and are described further below:

- Southeast Quadrant – Pergola Commons;
- Southwest Quadrant – Clair Marketplace;
- Northwest Quadrant – Clairfield Commons; and,
- Northeast Quadrant – Gordon / Clair Centre and Westminster Square.

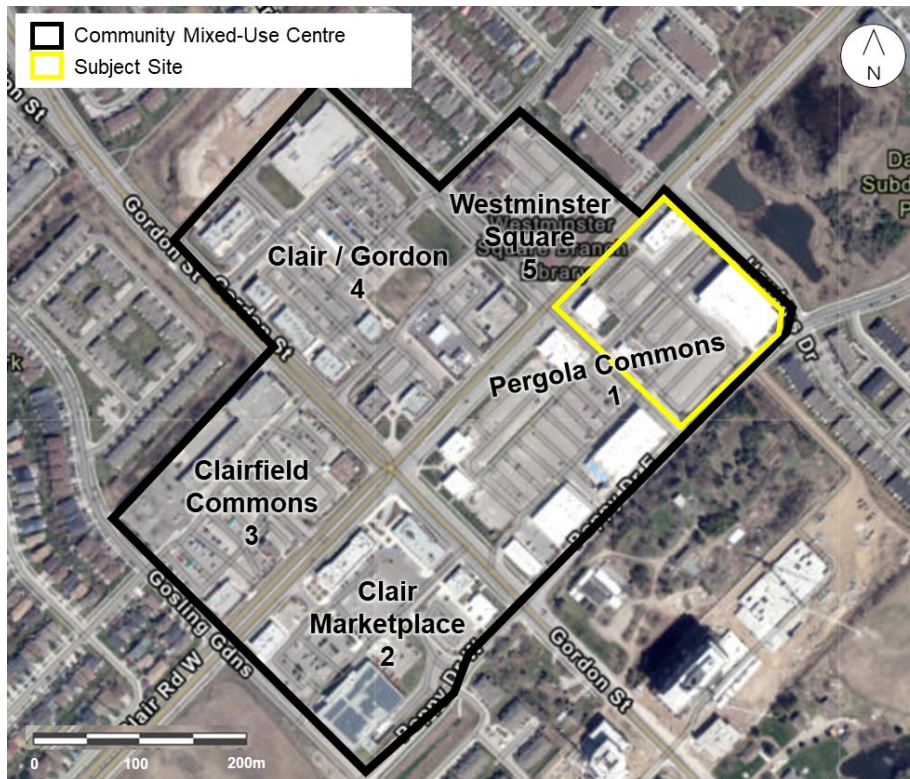
TER conducted an inventory of all retail, service, and vacant space in the Gordon / Clair Node. This inventory was based on a review of floor plans and verified by in-person fieldwork conducted in October 2023. This inventory was undertaken to assess the broader retail function and existing service levels of the community and was incorporated into this analysis.

Figure 3-1, on the following page, indicates commercial nodes within the Gordon / Clair Node. Each of the retail commercial centres listed above forms a commercial node. Figure 3-2, which follows, summarizes the amount and distribution of retail commercial space in the Gordon / Clair Node.

The inventory of the Gordon / Clair Node can be summarized as follows:

- There is 437,300 square feet of retail commercial space in the Gordon / Clair Node.
- Retail space represents approximately 49% of occupied space in the Gordon / Clair Node with the remainder composed of service space and vacant space.

Figure 3-1: Market Area Retail Commercial Nodes



Source: Tate Economic Research Inc.; Basemap: ESRI ArcGIS.

- There is 134,800 square feet of Food & Beverage Retail (“FBR”) in the Gordon / Clair Node, representing 31% of Gordon / Clair Node retail, service and vacant space. The majority of this space is composed of supermarket & grocery stores (116,300 square feet) which include Food Basics, Longo’s and Zehrs.
- There is 78,800 square feet of Non-Food & Beverage (“NFBR”) space in the Gordon / Clair Node. Miscellaneous retail account for the largest share of NFBR within the Gordon / Clair Node at 27,800 square feet.
- There is 222,200 square feet of Service Space in the Gordon / Clair Node. food services & drinking places and entertainment & recreation services

account for the largest share of service space in the Gordon / Clair Node at 74,300 square feet and 63,600 square feet, respectively.

- Overall, the Gordon / Clair Node includes a wide variety of convenience oriented retail and service outlets. There is a focus on service space, including an abundance of full service and quick service restaurants.

Figure 3-2: Summary of Retail and Service Space in the Gordon / Clair Node ⁽¹⁾

	Pergola Commons Total Nodes	Pergola Commons East (Site) 1A	Pergola Commons West 1B	Clair Marketplace 2	Clairfield Commons 3	Clair / Gordon 4	Westminster Square 5	TOTAL 1-5	Percent Distribution
Food & Beverage Retail (FBR)									
Supermarkets & Grocery Stores	0	0	0	41,100	35,200	40,000	0	116,300	26.6%
Convenience & Specialty Food Stores	7,200	0	7,200	4,700	0	0	0	11,900	2.7%
Beer, Wine & Liquor	6,600	6,600	0	0	0	0	0	6,600	1.5%
Food & Beverage Retail (FBR)	13,800	6,600	7,200	45,800	35,200	40,000	0	134,800	30.8%
Non-Food & Beverage Retail (NFBR)									
Department Stores	0	0	0	0	0	0	0	0	0.0%
General Merchandise	9,500	0	9,500	0	0	0	0	9,500	2.2%
Clothing, Shoes & Accessories	0	0	0	0	0	0	0	0	0.0%
Furniture, Home Furnishings & Electronics	18,100	0	18,100	0	0	0	0	18,100	4.1%
Pharmacies & Personal Care Stores	0	0	0	2,000	0	16,800	1,600	20,400	4.7%
Building & Outdoor Home Supplies	0	0	0	3,000	0	0	0	3,000	0.7%
Miscellaneous Retailers	1,000	0	1,000	2,600	18,300	4,400	1,500	27,800	6.4%
Automotive	0	0	0	0	0	0	0	0	0.0%
Subtotal Non-Food & Beverage Retail (NFBR)	28,600	0	28,600	7,600	18,300	21,200	3,100	78,800	18.0%
Service Space									
Food Services & Drinking Places	29,600	8,000	21,600	11,800	14,800	18,100	0	74,300	17.0%
Personal Care & Laundry Services	2,200	1,100	1,100	3,500	0	2,500	0	8,200	1.9%
Financial, Insurance, Legal & Real Estate Services	9,700	0	9,700	1,600	10,600	1,300	0	23,200	5.3%
Health Care & Social Assistance Services	2,100	0	2,100	3,000	4,600	0	23,000	32,700	7.5%
Entertainment & Recreation Services	55,700	31,400	24,300	1,500	0	2,900	3,500	63,600	14.5%
Other Services	2,600	1,600	1,000	4,300	0	1,400	11,900	20,200	4.6%
Subtotal Service Space	101,900	42,100	59,800	25,700	30,000	26,200	38,400	222,200	50.8%
Total Occupied Retail & Service Space	144,300	48,700	95,600	79,100	83,500	87,400	41,500	435,800	99.7%
Vacant	0	0	0	0	0	1,500	0	1,500	0.3%
Vacancy Rate (%)	0.0%	0.0%	0.0%	0.0%	0.0%	1.7%	0.0%	0.3%	
Total Retail & Service Space	144,300	48,700	95,600	79,100	83,500	88,900	41,500	437,300	100.0%
Percent Distribution	33.0%	11.1%	21.9%	18.1%	19.1%	20.3%	9.5%	100.0%	

Source: Tate Economic Research Inc.

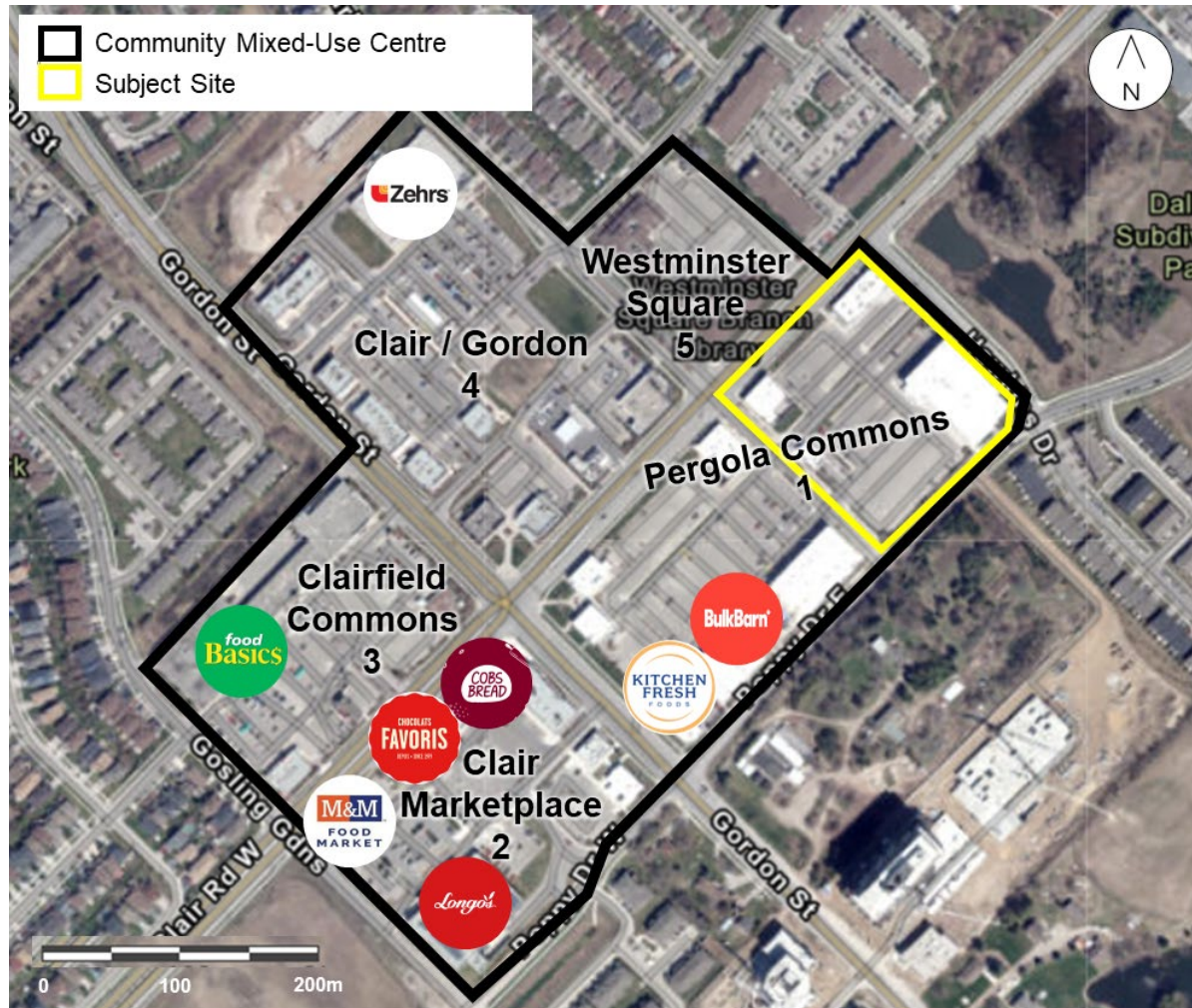
¹⁾ Based on inventory and site inspections completed by TER in October 2023. Rounded to the nearest 100 square feet.

Based on the inventory of retail commercial space conducted by TER, it is our opinion that the daily shopping needs of Gordon / Clair Node residents are well served by existing retail and service tenants, including supermarket and grocery stores, drug stores and pharmacies, restaurants, and health care and social services.

The following sections of the report provide more specificity regarding the location of food stores and pharmacies. Food stores and pharmacy uses are typically associated with convenience oriented retail commercial sites and are also specifically stated in the Commercial Function Study requirements.

3.2 Food Store Service Levels

Figure 3-3: Supermarket and Food Stores in Gordon / Clair Node



Source: Tate Economic Research Inc.; Basemap: ESRI ArcGIS.

As indicated in Figure 3-3, above, there are three supermarkets in the Gordon / Clair Commercial Mixed-Use Centre area:

Node 2: Longo's - 41,000 square feet;

Node 3: Food Basics - 35,000 square feet; and,

Node 4: Zehrs - 40,000 square feet.

In addition to these supermarkets, there are other food stores in the Gordon / Clair Commercial Mixed-Use Centre area. These food stores include:

Node 1B: KFF Convenience - 1,100 square feet;

Node 1B: Bulk Barn - 6,100 square feet;

Node 2: M&M Food Market - 1,500 square feet;

Node 2: Cobbs Bread - 1,300 square feet; and,

Node 2: Chocolats Favoris - 1,900 square feet.

TER has conducted a proximity analysis based on the locations of existing supermarkets in Figure 3-4, below. It is noted that the Growth Plan considers 800 metres to be a walkable distance. Typical walk times indicate that 800 metres is approximately a 15-minute walk.

Figure 3-4: Supermarkets in Gordon / Clair Commercial Mixed-Use Centre



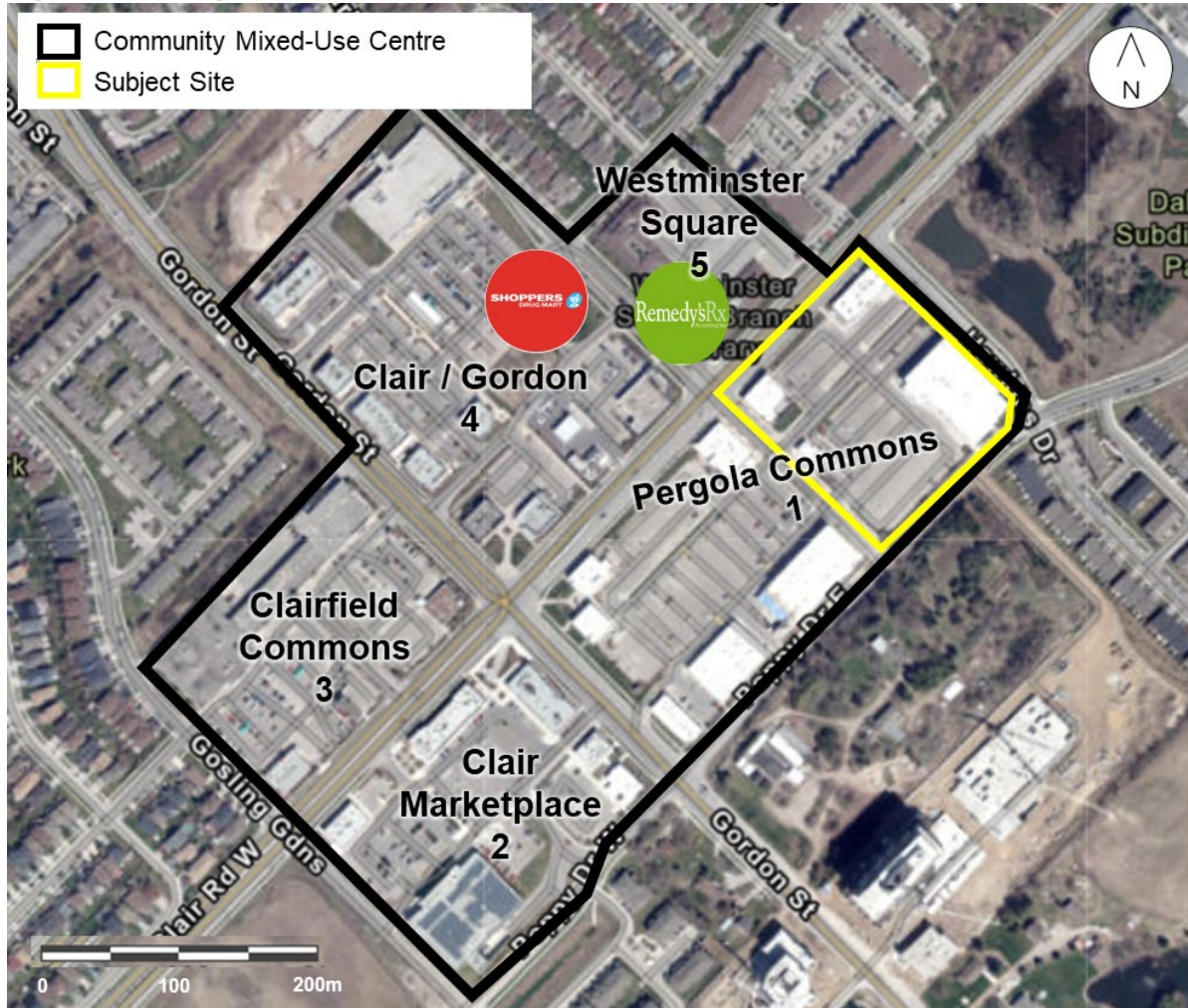
Source: Tate Economic Research Inc.; Basemap: ESRI ArcGIS.

As indicated in Figure 3-4, on the previous page, the Subject Site is located within walking distance of all three supermarkets in the Gordon / Clair.

3.3 Drug Store / Pharmacy Service Levels

TER has conducted a proximity analysis of drug stores in relation to the Subject Site. The results of this analysis are presented below in Figure 3-5.

Figure 3-5: Drug Stores in Gordon / Clair Commercial Mixed-Use Centre



Source: Tate Economic Research Inc.; Basemap: ESRI ArcGIS.

The following observations are made with respect to Figure 3-5:

- There are two drug stores / pharmacies in the Gordon / Clair Node:
 - Shoppers Drug Mart – 88 Clair Road E; and,
 - Remedy's RX – 33 Farley Drive.
- Both of these drug stores are located within 250 metres of the Site.
- In addition to the above drug stores, there is also a pharmacy located in the Zehrs supermarket at 124 Clair Road E.

3.4 Surrounding Retail Function Summary

It is noted that the proposed redevelopment of the Subject Site will not result in a decline in the number of food or drug stores. It is the professional opinion of Tate Economic Research Inc., that if the Subject Site were developed as proposed, there would be sufficient commercial floor space available in the Gordon / Clair Node to meet daily and weekly needs of the surrounding community.

4 Active Transportation / Community Focal Point

This section of the report addresses the following requirements of the Commercial Function Study:

iii. Impacts on the ability of residents and employees in the area to use active transportation options to access commercial shopping areas and commercial services; and

iv. Role of the commercial space in creating a community focal point.

4.1 Active Transportation Commentary

Figures 4-1 to 4-4 illustrate the active transportation options surrounding the Subject Site.

Figure 4-1: Surrounding Pedestrian Network



Source: Tate Economic Research Inc.; Basemap City of Guelph Transportation Master Plan.

Figure 4-2: Surrounding Cycling Network



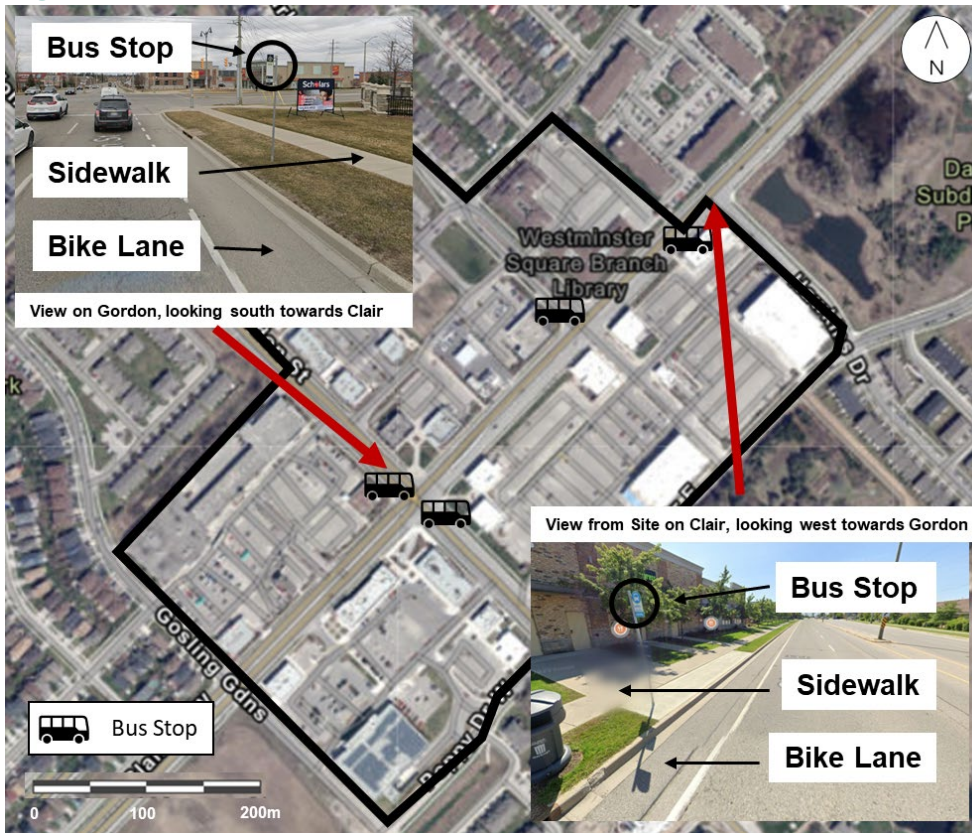
Source: Tate Economic Research Inc.; Basemap: City of Guelph Transportation Master Plan

Figure 4-3: Surrounding Transit Network



Source: Tate Economic Research Inc.; Basemap: City of Guelph Transportation Master Plan

Figure 4-4: Local Active Transportation Network



Source: Tate Economic Research Inc.

The following observations are made with respect to Figures 5-1 to 5-4:

- There are sidewalks and off-road trails in the area that provide local residents with access to the surrounding commercial areas.
- The Site is also accessible by cycle routes. North of the Site on Clair Road, there is a dedicated bike lane on either side of the road. West of the Site, at the intersection of Gordon Street and Clair Road, there are dedicated bike lanes on both sides of Gordon Street. The Gordon Street bike lanes connect the local area with the University of Guelph, the downtown and beyond.
- The Site is easily accessible via transit. There is a transit stop located immediately adjacent to the Site on Clair Road as well as a transit stop across the street from the Site on Farley Drive. These stops provide access to the 56 U Colonial bus. The 56 U Colonial route travels through the residential area along Colonial Drive and continues to Gordon Street connecting with a Guelph Transit Main Transfer Point at Gordon Street and Stone Road, near Stone Road Mall.

- At the intersection of Gordon Street and Clair Road there are two transit stops, where residents can access the 99 Mainline and the 16 Southgate bus routes. These stops are 300 metres from the Site. The 99 Mainline route continues on Gordon Street and Woolwich Street, through the entire City. The 16 Southgate route connects the local area with the industrial park along Southgate Drive.
- There are four Guelph Transit Main Transfer Points in the City. One of these Main Transfer points is located at the intersection of Clair and Gordon.

Future residents of the Site, as well as existing and future residents of the surrounding area have access to a broad range of active transportation options. These options connect local residents to the surrounding commercial environment for their daily and weekly shopping needs.

4.2 Community Focal Point Commentary

Commercial development, in the form of main streets and other formats with place making attributes, can function as community focal points. The Gordon / Clair Node is a commercial retail community focal point and attracts customers from the local area and beyond.

The Subject Site presently includes approximately 50,000 square feet of retail commercial space. This amount represents approximately 11.4% of the total retail commercial space in the Gordon / Clair node. The retail commercial space proposed at the Site is 20,000 square feet. Therefore, FCR is proposing a net reduction of retail commercial space that is less than 6.9% of the total space. This reduction is not anticipated to impact the community focal point of the Gordon / Clair Node.

The proposed redevelopment will result in the closure of the Galaxy movie theatre on the Site. However, it is also noted that there are approximately 74,000 square feet of restaurant and other food service space at the Gordon / Clair Node, as well as a Goodlife Fitness Club in Pergola Commons. These services will continue to deliver a social and community function to local residents.

It is also noted that there are community facilities, such as the Westminster branch of the Guelph Public Library and Clair Park, located in the vicinity of the Site that provide a community focal point. The Westminster Library branch is approximately 100 metres north of the Site and Clair Park is 400 metres north. As such, they are both within walking distance of the Site.

It is our professional opinion, based on the information summarized in this report, that the proposed reduction in retail commercial space at the Subject Site will not impact the community focal point of the Gordon / Clair node. Therefore, the proposed redevelopment is not forecast to impact the role of the commercial space in creating a community focal point.